



Date: October 14, 2005

HIGHLIGHTS FROM MOROCCO

Agriculture Stakeholders Program Launched

On September 23rd, USAID/Morocco Mission Director Monica Stein-Olson visited Berkane in the Moulouya River Basin of the Oriental Region in northeast Morocco to inaugurate the first of three regional workshops sponsored by USAID's **Integrated Agriculture and Agribusiness** Program. In addition to introducing the program to the local partners and stakeholders, the objectives of the workshops are to: 1) finalize the selection of priority value chains in each target region, 2) identify pilot projects; and 3) create regional advisory committees. Two other workshops took place in Meknes for the Meknès-Fès Region and the Gharb/Loukkos Region from 9/29 to 10/6. Among the value chains with excellent prospects are: olives and olive oil; lamb and goat meat; citrus; capers; dried fruits and berries; and medicinal and aromatic plants.

Information Technology to Assist Investors

On September 29th, USAID's **Assistance to Investment Promotion** project organized a training session in Rabat on a specific software developed to manage investment projects, targeting information system managers and public servants directly assisting investors. Staff from thirteen regional investment centers (RIC), and employees from the investment department and the Ministry of Interior attended the session, which was focused on the automation of tasks linked to investment projects and on working on-line with partners administrations. In addition to training, participants made several suggestions for further software developments and improvement of work within the RICs for improving services provided to investors. Participants unanimously praised USAID support, which is the only way they have to build their capacity and improve the quality of services provided to investors.

USAID-sponsored Political Party Law Open Forum

On October 4th, the Political Section of the United States Embassy and the USAID/Morocco, through the **Parliamentary Support Project**, assembled at the Tour Hassan Hotel in Rabat an unprecedented forum for a discussion and debate process on key legislation entitled: "Open Forum on the Political Party Bill". Almost 60 persons attended the event, including a dozen Members of Parliament, key political figures in Morocco, academics and renowned leaders of civil society with significant interest in providing their input to this particular legislation. The Open Forum successfully provided Members of Parliament and leaders of the Civil Society community with timely information thereby improving the quality of the debate on the Political Party legislation currently under discussion in Parliament.

The **Open Forum on the Political Party Bill** was a pilot project activity that encouraged an open and transparent public debate and discussion process on key legislation during its review and analysis process. In addition, it served as a model from which to draw upon to work with the Moroccan Parliament developing an institutional public hearing practice, process, and guidelines. Such developments should facilitate advocacy efforts before the Parliament on key legislation and in improving the quality of this legislation under discussion and review in Parliamentary Committees since it benefits from expert testimony and civil society input.



Eye on Morocco

U.S.-Morocco S&T Agreement One Step Closer to Completion

Last week, the last remaining obstacle to concluding the U.S.-Morocco S&T Agreement was resolved. A compromise satisfactory to both sides was reached to address non-taxation of U.S. assistance. Under the

arrangement, the Moroccan Executive Agent of the Agreement (the Ministry of Higher Education and Scientific Research) will be the recipient of record for all assistance and equipment transferred by the U.S. to Morocco. This will enable the Government of Morocco to ensure that all such assistance will enjoy tax free status, regardless of the ultimate designee. This arrangement is presently undergoing final internal review by the Moroccan Government. In the meantime, Morocco's Foreign Ministry is preparing an Arabic version of the S&T Agreement for review by the U.S. and, once these processes are complete, the Agreement will be ready for signing. At this point, signing is anticipated around December 2005.

IMF Recommends Structural Reforms Acceleration in Morocco

On September 15, The International Monetary Fund (IMF) published a report listing a number of positive steps achieved by the Moroccan economy: "Inflation remained low, non-agricultural output growth accelerated. Considerable progress has been made in the implementation of structural reforms, most importantly those related to trade liberalization, the financial sector, public enterprises, and the labor market."

However, growth continues to be volatile and insufficient to efficiently address unemployment and poverty issues. The Fund urged the Government of Morocco to accelerate the implementation of its policy agenda. These include initiating tax reform, simplifying the tariff structure, further reducing tariffs, and eliminating variable tariff rates.

IMF also encouraged Morocco to adopt measures to improve the business environment, such as the implementation of the new labor code and the acceleration of judicial reforms. These measures are required to foster domestic and foreign investment, and help create job opportunities.

Telecom Liberalization: Third Land Phone License Awarded

The telecommunication regulation authority (ANRT) awarded a new land phone license to *Maroc Connect*, a Moroccan private operator and internet provider. The company will pay about \$34 million to the government and will invest some \$110 million before the end of the first year of the contract. This land phone license also includes "limited mobility," i.e. mobile phone extension in limited zones.

A second land phone license was recently awarded to the second mobile phone operator, *Meditel*, a subsidiary of the Spaniard *Telephonica*. Currently, there are over 1.3 million subscribers to the land phone, as compared to about 10 million mobile phone users.



Administrative Announcements:

- Working hours during *Ramadan* (Oct 5 – Nov 3): 8:00 – 3:00 (4:00 – 11:00 WDC time)
- DG team leader Mark Parkison sworn-in as US direct hire



Events for October 2005:

- Regional Agriculture & Agribusiness Workshop in Kenitra
- Visit to MEPI-funded HKI community development project in El Haouz
- ANE/MEA David McCloud's visit
- Democracy/Governance roundtable with USAID partners